

MINUTES OF THE SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY OF  
SAN DIEGO, CALIFORNIA  
MONDAY, JUNE 6, 1977

Present - Members Johnson, O'Connor, Williams, Hubbard, Morrow,  
Gade, Strobl, Haro, and Chairman Wilson

Absent - None

Secretary - Edward Nielsen

Chairman Wilson called the Special Meeting of the Redevelopment Agency to order at 2:38 p.m., welcoming from the Centre City Development Corporation (CCDC), President Dean Dunphy, Directors Lucille Mortimer, Kenneth Rearwin, and Jack McDonald, and the newly appointed Executive Director Gerald Trimble.

Minutes of the Regular Meeting of May 3, 1977, and of the Special Meeting of May 24, 1977 were unanimously approved.

In joint session with the City Council, the Redevelopment Agency opened a public hearing on a proposed Disposition and Development Agreement with Ernest W. Hahn, Inc.

John P. Fowler, Director of the Engineering and Development Department, presented an overview of the proceedings to date. Special Counsel Eugene Jacobs explained some of the legal issues and the points of disagreement that CCDC had raised. Tim Kelly of Keyser Marston economic consultants described the formula used for arriving at the suggested purchase price.

Mr. Dunphy, CCDC President, emphasized that further negotiations would be necessary. Among the unresolved issues, he said, are CCDC's recommendation for an adjusted purchase price; adjustment of the base rental of Parcel E (the commercial retail space) after 10 years and every 5 years thereafter; adjustment every 10 years of the rental of the public parking facilities based on fair market rental value.

Mr. Jack Spencer, representing the Hahn Company, said he was not authorized to reduce in any way or modify the terms the Hahn Company had brought before the CCDC, the City Council, and the Redevelopment Agency.

The Chairman inquired of the legal counsel their opinion regarding hearing public testimony, since "we don't have an agreement." Both Mr. Jacobs and Mr. Hal Valderhaug, Deputy Counsel, said the public should be heard, and that direction from the Council, as the decision-maker, should then be given the staff.

On the matter of public testimony, Chairman Wilson said two communications had been received that morning. One was from Susan Cutler of CED (Campaign for Economic Democracy) Redevelopment Task Force, and the other from Villa Reyes. Counsel Jacobs and Redevelopment Superintendent James Spotts responded, indicating that all legal requirements had been met in regard to the notice of the public hearing, the environmental impact report, relocation plans, and citizen participation. Resources to rehouse displaced individuals, said Mr. Spotts, are substantially larger than the anticipated need.

The following persons appeared to make statements:

Villa Reyes of 5501 Elgin Avenue, San Diego;

Victor Harris, an attorney in San Diego;

Albert Deutsch of 3889 Haines Street, San Diego,  
representing the Gray Panthers;

Barbara Manus, operator of a restaurant at 334 "F" Street;

Robert Heifetz of 1624 N. Highway 101, Leucadia, a city  
planner on the staff of Univ. of California at San Diego;

Susan Cutler of 2273 Cambridge, Cardiff.

Mr. Jacobs expressed his willingness to discuss issues with these people personally, or to write up a legal opinion if requested. He emphasized that the Environmental Impact Report would deal with the actuality of the Plan; that appropriate units would be provided for relocation; that downtowns have to have a mix of income groups.

Member Hubbard stated that the staff now needs some "go-ahead direction." He continued, "We should be willing to vote on the commitment; the final negotiations might not please all of us but at least the concept would be there."

The question was raised of continuing the hearing to a later date, since several people had to leave. Mr. Rearwin of CCDC reminded the Council that "the wheels are going to stop if you postpone--unless the Council decides to give direction to the CCDC and to Mr. Jacobs."

Chairman Wilson agreed, but stated it would be necessary to delay a decision due to lack of time. He left at 4:40 p.m., asking Mr. Hubbard to chair the meeting.

Reconvening as the Redevelopment Agency only, and on motion of Mr. Morrow, seconded by Mr. Williams, the Agency unanimously voted to seek a continuance of the hearing plus the joint meeting of the Agency and the Council with the City as the Member of the Centre City Development Corporation.

Reconvening as the Council, and on motion of Ms. O'Connor, seconded by Mr. Williams, the Council voted unanimously to continue the joint meeting until June 20 at 2:00 p.m., time certain, with a special request to Mr. Hahn that he be present to negotiate.

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At 4:50 p.m. Members Gade and Morrow left.

Deputy Chairman Hubbard, indicating that other items on the agenda would be continued, asked that Mr. Ernie Davis be given the opportunity to respond to the staff report concerning his charges of discrimination in the Linda Vista Redevelopment Project area. Mr. Spotts then presented a report on Mr. Davis's current business operation in the area and his efforts to lease commercial space. Countering Mr. Davis's allegations that he was being discriminated against because of race, as a small businessman, and as an individual eligible for priority consideration, Mr. Ned Baumer of Coldwell Banker indicated that the sole issue is the use--the pinball and other coin-operated game machines.

Questions were asked by Members O'Connor, Haro, and Williams regarding the requirement of the developer, John S. Griffith & Co., for a \$500 non-refundable fee; the need for security guards; the number of minorities in business in the redevelopment project; and the number of former businesses who have relocated there or elsewhere.

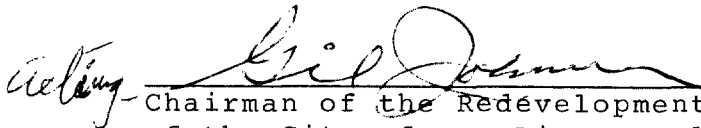
Member Haro stated that "the purpose of the project is to upgrade the area, hopefully to retain the people there with better facilities."

Member Williams added, "We put public money into that center to make it viable and with the understanding that the people there would have the chance to go back. We'd like to know the situation on each person who was there and has not returned. What was the situation put on them? Is there an effort to keep them out by economic means? How do we know that the intent of the Council and the Agency has been carried out?"

Mr. Valderhaug stated that Owner Participation Agreements assure that previous owners and businesses have priority. In the Agreement with Griffith & Co., he said, the developer can legally forbid certain uses.

Deputy Chairman Hubbard appointed to an ad hoc committee Members Williams, Haro, and O'Connor, charging them to report back to the Agency their findings regarding the questions about tenants and businesses in the Linda Vista Redevelopment Project.

Mr. Hubbard adjourned the meeting at 5:09 p.m.

  
Chairman of the Redevelopment Agency  
of the City of San Diego, California

ATTEST:

  
Secretary of the Redevelopment Agency  
of the City of San Diego, California